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STATUTORY INSTRUMENTS

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**2010 No. 1970**

**The Consumer Credit (Advertisements) Regulations 2010**

**Representative Example**

5.—(1) Subject to paragraph (5), the representative example referred to in regulation 4(1)(a) shall comprise the following items of information—

- (a) the rate of interest, whether fixed, variable or both,
- (b) the nature and amount of any other charge included in the total charge for credit,
- (c) the total amount of credit,
- (d) the representative APR,
- (e) in the case of credit in the form of a deferred payment for specific goods, services, land or other things, the cash price and the amount of any advance payment, and
- (f) except where the consumer credit agreement is an open-end agreement—
  - (i) the duration of the agreement, and
  - (ii) the total amount payable by the debtor and the amount of each repayment of credit.

(2) For the purposes of the representative example, the information referred to in sub-paragraphs (a) to (c), (e) and (f) of paragraph (1) shall be that which the advertiser reasonably expects at the date on which the credit advertisement is published to be representative of consumer credit agreements to which the representative APR applies and which are expected to be entered into as a result of the advertisement. For these purposes in the case of a credit advertisement which falls within section 151(1) of the Act, “advertiser” means the person carrying on the business of credit brokerage.

(3) For the purposes of paragraph (2), “agreements to which the representative APR applies” in the case of paragraph (1)(e) means agreements providing credit for the purchase of specific goods, services, land or other things to which the representative APR applies.

(4) For the purposes of paragraph (1)(a), where the consumer credit agreement provides different ways of draw down with different rates of interest, the rate of interest shall be assumed to be the highest rate applied to the most common draw down mechanism for the product to which the agreement relates.

(5) Paragraphs (1)(d) and (2) shall not apply to a credit advertisement relating to an authorised non-business overdraft agreement.

(6) The standard information contained in the representative example shall be—

- (a) specified in a clear and concise way,
- (b) accompanied by the words “representative example”,
- (c) presented together with each item of information being given equal prominence, and
- (d) given greater prominence than—
  - (i) any other information relating to the cost of the credit in the credit advertisement except for any statement relating to an obligation to enter into a contract for an ancillary service referred to in regulation 8(1), and
  - (ii) any indication or incentive of a kind referred to in regulation 6(1).

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(7) In this regulation a reference to a rate of interest is a reference to the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down.